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SUBJECT: LETTER ON SINAI DEVELOPMENT PROGRAM FROM
SECRETARY CLINTON TO PRIME MINISTER AHMED NAZIF

SENSITIVE BUT UNCLASSIFIED. PLEASE PROTECT ACCORDINGLY.

1. Please deliver the following message from Secretary Clinton to Prime Minister Ahmed Nazif. There will be no signed original.

2. Begin text:

Dear Mr. Prime Minister:

Over the course of the last year, the United States and Egypt have worked together to strengthen our bilateral relationship and identify opportunities to cooperate on important issues that both of our countries face. It is in this spirit of cooperation that I draw your attention to an issue I wrote to you about last February: U.S. funding for development programs in the northern Sinai.

As you are aware, the U.S. Congress appropriated \$50 million in FY 2009 supplemental funds to tackle the serious problem of deep-seated poverty in the northern Sinai in order to provide an economic alternative to smuggling for residents in the region. Despite ongoing communication between our governments over the past year on this issue, however, we have not yet reached agreement on a portfolio of programs to support, let alone begun implementation of this important initiative. Given the role this effort plays in our joint strategy to combat smuggling across Egypt's border with Gaza, reaching an agreement on such programs and implementing them without delay is crucial.

In approaching this initiative, the United States has consistently respected Egyptian sensitivities related to the Sinai and has proposed mechanisms for implementing this initiative that would give the Egyptian government responsibility for carrying out projects on the ground. To ensure appropriate oversight of U.S. funding, however, it is incumbent upon the U.S. government to ensure that proper accountability mechanisms are in place.

I understand that Ambassador Scobey met with Minister of International Cooperation Abounaga on February 3 to expedite this process. I hope that their discussion leads to prompt implementation of this program.

The United States looks forward to working with Egypt to ensure the success of this important initiative. This effort is also of significant interest to members of the U.S. Congress who want to see and support a strong partnership between the United States and Egypt.

I look forward to our countries' ongoing cooperation and to working with you to make progress on these development programs.

Sincerely yours,
Hillary Rodham Clinton

END TEXT.
CLINTON